

1-1 By: Gallegos S.B. No. 1283  
1-2 (In the Senate - Filed March 12, 2003; March 19, 2003, read  
1-3 first time and referred to Committee on Health and Human Services;  
1-4 April 22, 2003, reported favorably by the following vote: Yeas 7,  
1-5 Nays 0; April 22, 2003, sent to printer.)

1-6 A BILL TO BE ENTITLED  
1-7 AN ACT

1-8 relating to the authority of chiropractors to form certain business  
1-9 entities with certain other professionals.

1-10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-11 SECTION 1. Subsections C and D, Article 2.01, Texas  
1-12 Non-Profit Corporation Act (Article 1396-2.01, Vernon's Texas  
1-13 Civil Statutes), are amended to read as follows:

1-14 C. Doctors of medicine and osteopathy licensed by the Texas  
1-15 State Board of Medical Examiners, ~~and~~ podiatrists licensed by the  
1-16 Texas State Board of Podiatric Medical Examiners, and chiropractors  
1-17 licensed by the Texas Board of Chiropractic Examiners may organize  
1-18 a non-profit corporation under this Act that is jointly owned,  
1-19 managed, and controlled by those practitioners to perform a  
1-20 professional service that falls within the scope of practice of  
1-21 those practitioners and consists of:

1-22 (1) carrying out research in the public interest in  
1-23 medical science, medical economics, public health, sociology, or a  
1-24 related field;

1-25 (2) supporting medical education in medical schools  
1-26 through grants or scholarships;

1-27 (3) developing the capabilities of individuals or  
1-28 institutions studying, teaching, or practicing medicine, including  
1-29 podiatric medicine;

1-30 (4) delivering health care to the public; or

1-31 (5) instructing the public regarding medical science,  
1-32 public health, hygiene, or a related matter.

1-33 D. When doctors of medicine, osteopathy, ~~and~~ podiatry,  
1-34 and chiropractic organize a non-profit corporation that is jointly  
1-35 owned by those practitioners, the authority of each of the  
1-36 practitioners is limited by the scope of practice of the respective  
1-37 practitioners and none can exercise control over the other's  
1-38 clinical authority granted by their respective licenses, either  
1-39 through agreements, articles of incorporation, bylaws, directives,  
1-40 financial incentives, or other arrangements that would assert  
1-41 control over treatment decisions made by the practitioner. The  
1-42 Texas State Board of Medical Examiners, ~~and~~ the Texas State Board  
1-43 of Podiatric Medical Examiners, and the Texas Board of Chiropractic  
1-44 Examiners continue to exercise regulatory authority over their  
1-45 respective licenses.

1-46 SECTION 2. Subsection (B), Section 2, Texas Professional  
1-47 Association Act (Article 1528f, Vernon's Texas Civil Statutes), is  
1-48 amended to read as follows:

1-49 (B) Licenses. (1) Except as provided by this subsection,  
1-50 all members of the association shall be licensed to perform the type  
1-51 of professional service for which the association is formed.

1-52 (2) Doctors of medicine and osteopathy licensed by the  
1-53 Texas State Board of Medical Examiners, ~~and~~ podiatrists licensed  
1-54 by the Texas State Board of Podiatric Medical Examiners, and  
1-55 chiropractors licensed by the Texas Board of Chiropractic Examiners  
1-56 may form an association that is jointly owned by those  
1-57 practitioners to perform a professional service that falls within  
1-58 the scope of practice of those practitioners.

1-59 (3) Professionals, other than physicians, engaged in  
1-60 related mental health fields such as psychology, clinical social  
1-61 work, licensed professional counseling, and licensed marriage and  
1-62 family therapy may form an association that is jointly owned by  
1-63 those practitioners to perform professional services that fall  
1-64 within the scope of practice of those practitioners.

2-1 (4) When doctors of medicine, osteopathy, ~~[and]~~  
2-2 podiatry, and chiropractic, or mental health professionals form an  
2-3 association that is jointly owned by those practitioners, the  
2-4 authority of each of the practitioners is limited by the scope of  
2-5 practice of the respective practitioners and none can exercise  
2-6 control over the other's clinical authority granted by their  
2-7 respective licenses, either through agreements, bylaws,  
2-8 directives, financial incentives, or other arrangements that would  
2-9 assert control over treatment decisions made by the practitioner.  
2-10 The state agencies exercising regulatory control over professions  
2-11 to which this subdivision applies continue to exercise regulatory  
2-12 authority over their respective licenses.

2-13 SECTION 3. Subsection (3), Section A, Article 11.01, Texas  
2-14 Limited Liability Company Act (Article 1528n, Vernon's Texas Civil  
2-15 Statutes), is amended to read as follows:

2-16 (3) Doctors of medicine and osteopathy licensed by the  
2-17 Texas State Board of Medical Examiners, ~~[and]~~ podiatrists licensed  
2-18 by the Texas State Board of Podiatric Medical Examiners, and  
2-19 chiropractors licensed by the Texas Board of Chiropractic Examiners  
2-20 may organize a professional limited liability company that is  
2-21 jointly owned by those practitioners to perform a professional  
2-22 service that falls within the scope of practice of those  
2-23 practitioners. When doctors of medicine, osteopathy, ~~[and]~~  
2-24 podiatry, and chiropractic organize a professional limited  
2-25 liability company that is jointly owned by those practitioners, the  
2-26 authority of each of the practitioners is limited by the scope of  
2-27 practice of the respective practitioners and none can exercise  
2-28 control over the other's clinical authority granted by their  
2-29 respective licenses, either through agreements, bylaws,  
2-30 directives, financial incentives, or other arrangements that would  
2-31 assert control over treatment decisions made by the practitioner.  
2-32 The Texas State Board of Medical Examiners, ~~[and]~~ the Texas State  
2-33 Board of Podiatric Medical Examiners, and the Texas Board of  
2-34 Chiropractic Examiners continue to exercise regulatory authority  
2-35 over their respective licenses.

2-36 SECTION 4. Subsection (e), Section 2.02, Texas Revised  
2-37 Partnership Act (Article 6132b-2.02, Vernon's Texas Civil  
2-38 Statutes), is amended to read as follows:

2-39 (e) Authority of Doctors of Medicine, ~~[and]~~ Osteopathy, and  
2-40 Chiropractic and Podiatrists to Create Partnership. Doctors of  
2-41 medicine and osteopathy licensed by the Texas State Board of  
2-42 Medical Examiners, ~~[and]~~ podiatrists licensed by the Texas State  
2-43 Board of Podiatric Medical Examiners, and chiropractors licensed by  
2-44 the Texas Board of Chiropractic Examiners may create a partnership  
2-45 that is jointly owned by those practitioners to perform a  
2-46 professional service that falls within the scope of practice of  
2-47 those practitioners. When doctors of medicine, osteopathy, ~~[and]~~  
2-48 podiatry, and chiropractic create a partnership that is jointly  
2-49 owned by those practitioners, the authority of each of the  
2-50 practitioners is limited by the scope of practice of the respective  
2-51 practitioners and none can exercise control over the other's  
2-52 clinical authority granted by their respective licenses, either  
2-53 through agreements, bylaws, directives, financial incentives, or  
2-54 other arrangements that would assert control over treatment  
2-55 decisions made by the practitioner. The Texas State Board of  
2-56 Medical Examiners, ~~[and]~~ the Texas State Board of Podiatric Medical  
2-57 Examiners, and the Texas Board of Chiropractic Examiners continue  
2-58 to exercise regulatory authority over their respective licenses.

2-59 SECTION 5. This Act takes effect September 1, 2003.

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